

1 Section 36. Section **72-1-213** is amended to read:

2 **72-1-213. Road usage charge study -- Recommendations.**

3 (1) (a) The department shall study a road usage charge mileage-based revenue system,
4 including a demonstration program, as an alternative to the motor and special tax.

5 (b) The demonstration program may consider:

6 (i) the necessity of protecting all personally identifiable information used in reporting
7 highway use;

8 (ii) alternatives to recording and reporting highway use;

9 (iii) alternatives to administration of a road usage charge program; and

10 (iv) other factors as determined by the department.

11 (2) (a) The department shall create a Road Usage Charge Advisory Committee to assist
12 the department to conduct a road usage charge demonstration program.

13 (b) The executive director shall appoint members of the committee, considering
14 individuals with experience and expertise in the following areas:

15 (i) telecommunications;

16 (ii) data security and privacy;

17 (iii) privacy rights advocacy organizations;

18 (iv) transportation agencies with technical expertise;

19 (v) national research;

20 (vi) members of the Legislature;

21 (vii) representatives from the State Tax Commission; and

22 (viii) other relevant stakeholders as determined by the executive director.

23 (c) The executive director or the executive director's designee shall serve as chair of the
24 committee.

25 (d) A member of the committee may not receive compensation or benefits for the
26 member's service, but may receive per diem and travel expenses in accordance with:

27 (i) Section 63A-3-106;

28 (ii) Section 63A-3-107; and

29 (iii) rules made by the Division of Finance pursuant to Sections 63A-3-106 and

63A-3-107.

(e) The department shall provide staff support to the committee.

(3) (a) Beginning in 2019, and no later than September 30 of each year, the department shall prepare and submit a report of its findings based on the results of the road usage charge demonstration program to the:

(i) Road Usage Charge Advisory Committee created under Subsection (2);

(ii) Transportation Commission;

(iii) Transportation Interim Committee of the Legislature; and

(iv) Revenue and Taxation Interim Committee of the Legislature.

(b) The report shall review the following issues:

(i) cost;

(ii) privacy, including recommendations regarding public and private access, including by law enforcement, to data collected and stored for purposes of the road usage charge to ensure individual privacy rights are protected;

(iii) jurisdictional issues;

(iv) feasibility;

(v) complexity;

(vi) acceptance;

(vii) use of revenues;

(viii) security and compliance, including a discussion of processes and security measures necessary to minimize fraud and tax evasion rates;

(ix) data collection technology, including a discussion of the advantages and disadvantages of various types of data collection equipment and the privacy implications and considerations of the equipment;

(x) potential for additional driver services; and

(xi) implementation issues.

(c) The report may make recommendations to the Legislature and other policymaking bodies on the potential use and future implementation of a road usage charge within the state.

(4) Upon full implementation of a road user charge program for alternative fuel vehicles, which shall occur no later than January 1, 2020, as set forth in Section 72-1-213.1, the department, in coordination with the Motor Vehicle Division, shall offer the option to an owner of an alternative fuel vehicle as defined in Section 41-1a-102 to:

(a) pay an increased motor vehicle registration fee required in Subsection 41-1a-1206(1)(h) or (2)(b); or

(b) participate in a road user charge program.

Section 37. Section **72-1-213.1** is enacted to read:

72-1-213.1. Road usage charge program.

(1) As used in this section:

(a) "Account manager" means an entity under contract with the department to administer and manage the road usage charge program.

(b) "Alternative fuel vehicle" means the same as that term is defined in Section 41-1a-102.

(c) "Payment period" means the interval during which an owner is required to report mileage and pay the appropriate road usage charge according to the terms of the program.

(d) "Program" means the road usage charge program established and described in this section.

(2) There is established a road usage charge program as described in this section.

(3) (a) The department shall implement and oversee the administration of the program, which shall begin on January 1, 2020.

(b) To implement and administer the program, the department may contract with an account manager.

(4) (a) The owner or lessee of an alternative fuel vehicle may apply for enrollment of the alternative fuel vehicle in the program.

(b) If an application for enrollment into the program is approved by the department, the owner or lessee of an alternative fuel vehicle may participate in the program in lieu of paying the fee described in Subsection 41-1a-1206(1)(h) or (2)(b).

86 (5) (a) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act,
87 and consistent with this section, the department:

88 (i) shall make rules to establish:

89 (A) processes and terms for enrollment into and withdrawal or removal from the
90 program;

91 (B) payment periods and other payment methods and procedures for the program;

92 (C) standards for mileage reporting mechanisms for an owner or lessee of an
93 alternative fuel vehicle to report mileage as part of participation in the program;

94 (D) standards for program functions for mileage recording, payment processing,
95 account management, and other similar aspects of the program;

96 (E) contractual terms between an owner or lessee of an alternative fuel vehicle owner
97 and an account manager for participation in the program;

98 (F) contractual terms between the department and an account manager, including
99 authority for an account manager to enforce the terms of the program;

100 (G) procedures to provide security and protection of personal information and data
101 connected to the program, and penalties for account managers for violating privacy protection
102 rules;

103 (H) penalty procedures for a program participant's failure to pay a road usage charge or
104 tampering with a device necessary for the program; and

105 (I) department oversight of an account manager, including privacy protection of
106 personal information and access and auditing capability of financial and other records related to
107 administration of the program; and

108 (ii) may make rules to establish:

109 (A) an enrollment cap for certain alternative fuel vehicle types to participate in the
110 program;

111 (B) a process for collection of an unpaid road usage charge or penalty; or

112 (C) integration of the program with other similar programs, such as tolling.

113 (b) The department shall make recommendations to and consult with the commission

114 regarding road usage mileage rates for each type of alternative fuel vehicle.

115 (6) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, and
116 consistent with this section, the commission shall, after consultation with the department, make
117 rules to establish the road usage charge mileage rate for each type of alternative fuel vehicle.

118 (7) (a) Revenue generated by the road usage charge program and relevant penalties
119 shall be deposited into the Transportation Fund.

120 (b) The department may use revenue generated by the program to cover the costs of
121 administering the program.

122 (8) (a) The department may:

123 (i) (A) impose a penalty for failure to timely pay a road usage charge according to the
124 terms of the program or tampering with a device necessary for the program; and

125 (B) request that the Division of Motor Vehicles place a hold on the registration of the
126 owner's or lessee's alternative fuel vehicle for failure to pay a road usage charge according to
127 the terms of the program;

128 (ii) send correspondence to the owner of an alternative fuel vehicle to inform the owner
129 or lessee of:

130 (A) the road usage charge program, implementation, and procedures;

131 (B) an unpaid road usage charge and the amount of the road usage charge to be paid to
132 the department;

133 (C) the penalty for failure to pay a road usage charge within the time period described
134 in Subsection (8)(a)(iii); and

135 (D) a hold being placed on the owner's or lessee's registration for the alternative fuel
136 vehicle, if the road usage charge and penalty are not paid within the time period described in
137 Subsection (8)(a)(iii), which would prevent the renewal of the alternative fuel vehicle's
138 registration; and

139 (iii) require that the owner or lessee of the alternative fuel vehicle pay the road usage
140 charge to the department within 30 days of the date when the department sends written notice
141 of the road usage charge to the owner or lessee.

142 (b) The department shall send the correspondence and notice described in Subsection
143 (8)(a) to the owner of the alternative fuel vehicle according to the terms of the program.

144 (9) (a) The Division of Motor Vehicles and the department shall share and provide
145 access to information pertaining to an alternative fuel vehicle and participation in the program
146 including:

147 (i) registration and ownership information pertaining to an alternative fuel vehicle;

148 (ii) information regarding the failure of an alternative fuel vehicle owner or lessee to
149 pay a road usage charge or penalty imposed under this section within the time period described
150 in Subsection (8)(a)(iii); and

151 (iii) the status of a request for a hold on the registration of an alternative fuel vehicle.

152 (b) If the department requests a hold on the registration in accordance with this section,
153 the Division of Motor Vehicles may not renew the registration of a motor vehicle under Title
154 41, Chapter 1a, Part 2, Registration, until the department withdraws the hold request.

155 (10) The owner of an alternative fuel vehicle may apply for enrollment in the program
156 or withdraw from the program according to the terms established by the department pursuant to
157 rules made under Subsection (5).

158 (11) If enrolled in the program, the owner or lessee of an alternative fuel vehicle shall:

159 (a) report mileage driven as required by the department pursuant to Subsection (5);

160 (b) pay the road usage fee for each payment period as set by the department and the
161 commission pursuant to Subsections (5) and (6); and

162 (c) comply with all other provisions of this section and other requirements of the
163 program.